Where does your health-care dollar go?

Total U.S. health expenditures: $2,793.4 billion

Personal health care: $2,360.4 billion

Net cost of health insurance\(^1\): $164.3 billion
Structures and equipment\(^1\): $111.9 billion
Government public health activities\(^1\): $75.0 billion
Research\(^1\): $48.1 billion
Government administration\(^2\): $33.6 billion

Hospital care: $882.3 billion
Professional services\(^3\): $752.3 billion
Prescription drugs and durable medical equipment\(^4\): $358.3 billion
Nursing care facilities and continuing care retirement communities\(^5\): $151.5 billion
Other health, residential and personal care\(^6\): $138.2 billion
Home health care: $77.8 billion

\(^1\) Net cost of health insurance is calculated as the difference between CY incurred premiums earned and benefits paid for private health insurance. This includes administrative costs, and in some cases, additions to reserves, rate credits and dividends, premium taxes, and plan profits or losses. Also included in this category is the difference between premiums earned and benefits paid for the private health insurance companies that insure the enrollees of the following programs: Medicare, Medicaid, Children’s Health Insurance Program, and workers’ compensation (health portion only).

\(^2\) Includes all administrative costs (federal and state and local employees’ salaries, contracted employees including fiscal intermediaries, rent and building costs, computer systems and programs, other materials and supplies, and other miscellaneous expenses) associated with insuring individuals enrolled in the following programs: Medicare, Medicaid, Children’s Health Insurance Program, Department of Defense, Department of Veterans Affairs, Indian Health Service, workers’ compensation, maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, and other federal programs.

\(^3\) Includes expenditures for physician and clinical services, other professional services and dental services.

\(^4\) Also includes expenditures for other non-durable medical products.

\(^5\) Freestanding facilities only. Additional services of this type provided in hospital-based facilities are counted as hospital care. Includes care provided in nursing care facilities (NAICS 6231), continuing care retirement communities (623311), state and local government nursing facilities, and nursing facilities operated by the Department of Veterans Affairs (DVA).

\(^6\) Includes expenditures for residential care facilities (NAICS 623210 and 623220), ambulance providers (NAICS 621910), medical care delivered in non-traditional settings (such as community centers, senior citizen centers, schools, and military field stations), and expenditures for Home and Community Waiver programs under Medicaid.